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October 18, 1996

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EX PARTE

William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
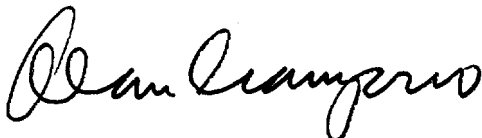Washington, D.C. 20554

Dear Mr. Caton:

Re: CC Docket No. 96-45, Universal Service

Today, Ross Ireland of Pacific Bell, Robert Holmquist of GTE, Cas Skrypczak of NYNEX, Marie Breslin and John Seazholtz of Bell Atlantic, John Gunter of BellSouth, and I met with Jim Casserly of Commissioner Ness' office, John Nakahata of the Chairman's office, Dan Gonzalez of Commissioner Chong's office, and Gina Keeney, Chief, Richard Metzger, Deputy Chief, and Jeannie Su and Susan McMaster of the Common Carrier Bureau. We discussed the points in the attached document. Please associate this material with the above referenced proceeding.

We are submitting two copies of this notice in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,

[signature]

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Why We Need LRN With QOR

Introduction

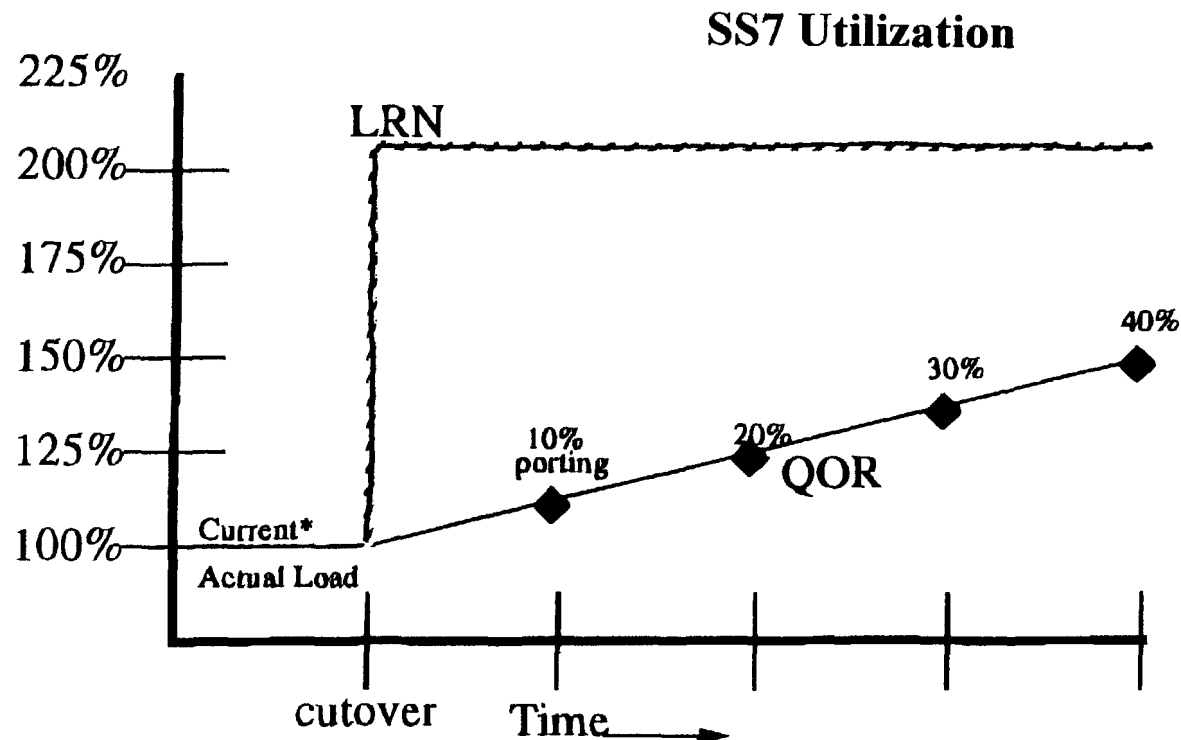- Why is our request urgent?

- Difference between LRN and LRN with QoR

LRN With QoR Dramatically Reduces Costs

- Number portability implementation is very expensive

- LRN requires network to be overbuilt on Day 1
  - does not permit "ramp up"

- QoR permits costs to be incurred in proportion
  to porting increases

- QoR saves several hundred million dollars nationwide
  - Net of QoR software costs

LRN with QOR Reduces Risk of Service Impairment

- With LRN Data Base lookup required for all calls on Day 1.
  -Less than 1% of these calls require a Data Base look-up today.

- LRN with QOR only requires a database look-up for ported numbers
  -Provides a graceful transition to Local Number Portability

SS7 Utilization

225%

200%

LRN

175%

150%   40%

                                                         30%

125%   10%   20%
              porting   QOR

100%   Current*
       Actual Load

              cutover   Time

Objections By Opponents

- POST DIAL DELAY

  - imperceptible
    - large variance today
    - 400 ms difference QoR over LRN

  - only affects originating caller
    - not ported customer

  - Teleport supports LRN with QoR

Objections By Opponents (cont'd)

- ## RELIANCE ON INCUMBENTS' NETWORK

  - QoR implementation should be voluntary

    L e AN cHUOSE LRN oR QoR

  - for intraswitch calls incumbent will perform the lookup under either the LRN or LRN with QoR

LRN With QoR To LRN Only Crossover Point

- SCP -- Transaction load always less with QoR
  - Not a factor

- SS7 -- LRN with QoR = LRN only at greater than 60% ported numbers

- Switch Processing
  - Varies by switch type
  - Average crossover approximately 50%

Summary

- QoR provides substantial initial cost savings

- QoR reduces risk to SS7 network

- Post Dial Delay - imperceptible

- Network Reliance - no difference between QoR and LRN

FCC should allow the use of QoR for Local Number Portability Implementation.